III. Remarks

A. Interview

Applicant thanks the Examiner for the courtesies extended during the interview on June 9th.

B. Information Disclosure Statements

In reviewing the file, Applicant noted that the signed SB/08A from Applicant's 11/6/01 IDS submission that the Examiner provided in the last office action dated 8/13/03 initialed the five patent references U1-U4, but did not initial the non-patent literature document submitted as P1. Applicant requests the Examiner to initial P1 and return a copy of the SB/08A to Applicant with the next office action.

C. Claim Amendment

Applicant has amended independent claim 14, dependent thereon claim 29, independent claim 37, independent claim 47, and independent claim 54. Dependent claim 55 has been canceled without waiver or disclaimer.

Independent claim 14 has been amended to recite computer apparatus to overcome the § 101 rejection, discussed below.

Dependent claim 29 has been amended to flesh out the activating step.

Independent claim 37 has been amended similar to claim 14 to recite computer apparatus re the § 101 rejection.

Independent claim 47 has been amended similar to claim 14 to recite computer apparatus, and to replace "encourage" with "incentivize" in the "thereby" recitation at the end of the claim.

Independent claim 54 has been amended to include the features from canceled claim 55 so that independent claim 54 now recites the dual accrual/vesting periods for the rebates similar to that set forth in claim 47. As such, Applicant requests that the Examiner's withdrawal of claims 54-59 be rescinded (see page 8, par. 10 of the Office Action) since claim 54 is now drawn to subject matter consistent with the previous election.

D. The Rejections

1. First Rejection [§ 112(2)]

The Office Action rejected claim 47 as being indefinite due to the use of the term "encourage" in the thereby clause. As discussed in the interview, Applicant is replacing that term with "incentivize," which Applicant does not view to be any more narrow than the previous term. Apart from the "thereby" clause, the claim recites that rebates are computed according to a first period, but the rates are not applied or vested until a longer, second period. Thus, the cardholder is "incentivized" to maintain the card account in order to get the benefit of the aggregated rebate at the vesting date. Applicant submits that the person of ordinary skill would readily comprehend this concept, and would readily comprehend the bounds of the claimed invention as set forth.

Claim 54, as amended, now has similar language in the "thereby" clause.

2. Second Rejection [§ 101]

The Office Action rejected claims 14-15 and 29-53 under § 101 as not having a technological basis.

The relevant independent claims are claims 14, 37, and 47. Claim 54, which was withdrawn by the Examiner for reasons of restriction (and which Applicant requests be reinstated based on the amendment), also appears susceptible to the Examiner's § 101 rejection.

Accordingly, as discussed during the interview, Applicant has amended claims 14, 37, 47, and 54 to recite computer apparatus. All of these claims recite "computerized" methods in the preamble, and now set forth that steps are carried out "using a computer"[1] in the body of the claims. Ample support for this amendment is found in the specification. For example, claim 14 recites "using a computer" to establish a credit card account (see, e.g., Figure 1, issuer system 100, and Figure 2, application processor system 220); "using a computer" to calculate rebates (see, e.g., Figure 1, issuer system 100, and Figure 2, rebate processing system 235); "using a computer" to issue a statement with an offer (see, e.g., Figure 1, issuer system 100, and Figure 2, bill processing system 225); and "using a computer" to transfer a rebate (see, e.g., Figure 1, issuer system 100, and Figure 2, rebate transfer system 240). The other amended independent claims (37, 47, 54) find similar support.

Applicant submits that the claims clearly now recite a technological basis and requests that the § 101 rejection be withdrawn.

[1] Applicant has recited the amendment in each case as using "a computer," which is consistent with Applicant's disclosure (see Specification, page 14, line 17-page 15, line 6) that the steps can be carried out by a single computer or by separate computers.

3. Third Rejection [§ 103 based on 3-Part Combination of Fernandez-Holmann IVO Feidelson IVO Walker

In the first rejection based on the art, the Examiner has rejected claims 14-15, 29-30, 32-34, 37, 39-40, 42-44, and 47-51 based on the 3-part combination of U.S. Pat. No. 5,787,404 ("Fernandez-Holmann" or "F-H") in view of U.S. Pat. No. 6,345,261 ("Feidelson"), further in view of U.S. Pat. No. 6,196,458 ("Walker").

Applicant will first address independent claim 14, and the rejected claims which dependent thereon.

Independent Claim 14

Independent claim 14 provides for issuing a statement to the cardholder that includes a calculated rebate and an offer to activate an investment fund account with the calculated rebate. Claim 14 also provides for activating the investment fund account upon acceptance of the offer by the cardholder.

As acknowledged by the Examiner (see Office Action, page 4), Fernandez-Holmann does not teach or suggest these features. The Examiner refers to Walker (see Col. 2, lines 45-67 and 3, lines 1-20) in an attempt to overcome this deficiency; however, Walker clearly does not disclose or suggest these features.

Walker discloses providing "upsell" offers in a billing statement for the future purchase of other products and services based on specific billing items. See Walker, Abstract; Col 2, line 45-Col. 3, line 20. By way of example, a consumer who just purchased a stereo system (specific billing item) may receive a billing statement with an offer for purchasing an entertainment cabinet (i.e., to house the stereo system) at a

discount. Walker's upsell feature of providing offers to buy additional products does not remotely relate to or suggest the claim feature of an offer to activate an investment account.

A further distinction is that Walker's upsell feature is for an offer based on a specific billing item (e.g., the purchase of a stereo), while the claimed offer is based on a computed usage rebate. In teaching offers based on specific purchases, Walker does not teach or suggest Applicant's offer, in fact, Walker teaches away from Applicant's approach.

A further significant distinction is the Walker's offer to purchase additional goods encourages the consumer to spend, while the claimed invention encourages the consumer to invest.

Because Walker does not teach the claimed offer, it clearly does not teach the related claim feature, that of activating the investment fund account upon acceptance of the offer by the cardholder. "Acceptance" of Walker's offer simply means that the consumer will spend more money and receive the object of the offer (e.g., stereo cabinet). Walker does not remotely teach or suggest the claim feature of activating an on-going investment account based on offer acceptance and funding that investment account.

(Dependent claims 15, 29, 32 are patentable for at least the same reasons set forth above.)

Dependent Claim 30 (depends from Claim 14)

Dependent claim 30 provides that the rebate accrues according to a first (shorter) period, but vests according to a second (longer) period. This beneficial claim feature gives

the cardholder incentive to maintain the card account in order to get the benefit of the aggregated rebate. In a time of intense competition for card issuers to retain cardholders, this feature provides significant advantages to card issuers in maintaining their cardholder base.

The Examiner has acknowledged (see Office Action, page 4) that the primary reference of Fernandez-Holmann does not teach or suggest this feature. The Examiner has referred to Feidelson (Col. 11, lines 31-44) in order to overcome this deficiency. However, upon inspection, Feidelson clearly does not disclose or suggest this feature of dependent claim 30.

Feidelson discloses a merchant-centric loyalty program where merchants pay rebates to a system administrator based on consumer purchases, and the administrator then purchases securities which are issued to consumers. See Feidelson, Abstract. Feidelson does not remotely suggest the separate accrual/vesting periods set forth in claim 30. Col. 11, lines 31-44 of Feidelson simply states that each month the rebate/purchase information 32 (see Figure 1 of Feidelson) is checked to determine if it exceeds a threshold amount, such as $100. If the threshold is met, the monies are invested in the fund.

Therefore, it is clear that Feidelson does not remotely the feature of having two periods, an accrual period where calculated rebates are reported to customers, and a longer vesting period for the rebate actually to be applied. Feidelson teaches a one step process. Feidelson's one-step monthly process actually teaches away from Applicant's approach.

Dependent claims 33-34 (which depend from claim 30) are patentable over the cited combination for at least the same reasons. In addition, the Examiner acknowledges

(Office Action, page 4) that Fernandez-Holman does not teach the feature of issuing statements identifying accrued-but-unvested rebates. The Examiner refers to Feidelson at Col. 12, lines 54-64; however, that section simply indicates that general information on Feidelson's fund may be reported out to consumers--it does not remotely suggest a statement that identifies accrued-but-unvested rebates. This is not surprising because, as discussed above for claim 30, Feidelson does not teach the dual accrual/vesting approach, so such a statement reporting mechanism would not be employed.

Independent Claim 37 and Dependent Claims Thereon

Independent claim 37 recites features similar to claim 14, and is patentable for at least the same reasons.

Dependent claims 38-39 are patentable for at least the same reasons.

Dependent claim 40 is similar to claim 30, and is patentable for at least the same reasons.

Dependent claims 42-44 are similar to claims 32-34, respectively, and are patentable for at least the same reasons.

Independent Claim 47 and Dependent Claims Thereon

Independent claim 47 recites the dual accrual/vesting feature similar to claim 30, and is patentable for at least the specific reasons set forth for claim 30.

Dependent claims 48-49 are patentable for at least the same reasons.

Dependent claims 50-51 are similar to claims 33-34, respectively, and are patentable for at least the same reasons.

Independent Claim 54 and Dependent Claims 54-59

Claim 54, as amended, recites the dual accrual/rebate feature similar to claim 30, and is patentable for at least the same specific reasons as for claim 30.

Dependent claims 56-59 are patentable for at least the same reasons as for claim 54.

4. <u>Fourth Rejection</u> [§ 103 based on 4-Part Combination of Fernandez-Holmann IVO Feidelson IVO Walker IVO Sullivan]

On page 6 of the Office Action, the Examiner rejects claims 31, 36, 41, 46, and 53 based on the 4-part combination of Fernandez-Holman, Feidelson, Walker, and U.S. Pat. No. 6,386,444 ("Sullivan").

The Examiner appears to have applied the Sullivan '444 Patent as prior art under § 102(e) because Sullivan issued after the filing date of the present application. However, the Sullivan '444 Patent has the identical inventorship as the present application (Kevin Sullivan), and therefore, the Sullivan '444 Patent cannot qualify as prior art under § 102(e) as patented "by another."

Applicant respectfully requests that this rejection be withdrawn.

5. <u>Fifth Rejection</u> [§ 103 based on 4-Part Combination of Fernandez-Holmann IVO Feidelson IVO Walker IVO Simpson]

On page 7 of the Office Action, the Examiner rejects claims 35, 45, and 52 based on the 4-part combination of Fernandez-Holman, Feidelson, Walker, and U.S. Pat. No. 6,070,153 ("Simpson").

Simpson was applied to close the gaps in Fernandez-Holmann, Feidelson, and Walker regarding the claim feature that the funding for the rebate is shared between the card instrument issuer and the investment account provider.

However, as applied by the Examiner, Simpson clearly does not disclose or suggest this feature. Col. 3, lines 20-25 of Simpson relates to the account management fees charged to the cardholder for the investment account, not rebates paid into the investment account. The cited portion of Simpson is not relevant to the claim feature at all.

6. Sixth Rejection [§ 103 based on 4-Part Combination of Fernandez-Holmann IVO Feidelson IVO Walker IVO Kalina]

On page 7 of the Office Action, the Examiner rejects claim 38 based on the 4-part combination of Fernandez-Holman, Feidelson, Walker, and U.S. Pat. No. 6,243,688 Kalina ("Kalina '688 Patent").

Claim 38 provides that the investment account is automatically established as a result of the acceptance of the offer in the card statement. Col. 6, lines 20-25 of Kalina (referenced by the Examiner) simply discloses purchasing of securities preselected by the consumer when threshold amount of awards is met. This does not teach or suggest the claim feature of establishing an investment account based on acceptance of an offer in a card statement. In Kalina, the investment account ("purchase award account") is already established and active (see Kalina, Col, 2, lines 23-33). Thus, when securities are purchased as discussed at Col. 6, lines 20-25, this simply means that additional securities are being purchased for an existing investment account. No new account is being established, nor is a new account being established as a result of an offer in a card statement.

IV. Conclusion

Applicant respectfully submits that the application is in condition for allowance and respectfully requests a notice of allowance for the pending claims. Should the Examiner determine that any further action is necessary to place this application in condition for allowance, the Examiner is kindly requested and encouraged to telephone Applicant's undersigned representative at the number listed below.

This response to the Office Action is being filed before the expiration of three (3) months from the date of the Office Action. Therefore, it is believed that no extension fees are required. A check for the new claims is enclosed. If any additional fees are deemed necessary, Applicant hereby provides authorization to charge such fees against deposit account 50-0206. If any refunds are due, Applicant hereby provides authorization to credit such refunds against the deposit account.

Respectfully submitted,

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